

JUST THE FACTS



A Review of "FAC" 97-16, and Other Notable "T"idbits

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Small Business Competitive Demonstration Program

(FAR Case 1999-012)

This interim rule amends the FAR to implement the Office of Federal Procurement Policy (OFPP) and Small Business Administration (SBA) final policy directive to provide updated guidance on the Small Business Competitiveness Demonstration Program.

Background: The purpose of the program, established under Title VII of Public Law 100-656 on November 15, 1988, was designed to:

- ❖ test the ability of small business to compete successfully in certain industry groups in full and open competition;
- ❖ measure the extent to which awards are made to emerging small businesses; and
- ❖ expand small business participation in ten targeted industry categories.

The program consists of two major components:

1. A test of unrestricted competition in the following four designated industry groups: Construction; Refuse Systems; and related

services; A-E Services, and Non-nuclear ship repair. Solicitations over \$25,000 for construction, refuse services and non-nuclear ship repair and over \$50,000 for A-E services, must be acquired using full and open competition procedures unless they are designated for the 8(a) program. Solicitations below these thresholds must be reserved, or set-aside, for emerging small businesses.

2. A test of enhanced small business participation in ten agency targeted industry categories. Each participating agency is required to select its own industry categories, and acquisitions in excess of \$25,000 are designated as small business set-asides to the maximum extent possible.

Changes to the FAR:

Advises the contracting officer to consider the 8(a) Program and HUBZone Program, in addition to small business set-asides, for acquisitions less than \$25,000 in one of the four designated industry groups that will not be set aside for emerging small business concerns.

Adds FAR 19.1006, which specifies that none of the procedures under this program apply to orders under the Federal Supply schedule or to contracts awarded to education and nonprofit institutions or to governmental entities.

See Page 2 for a few notes on this program

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Competitive Demonstration Program

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This interim rule only affects contracting officers at participating agencies when acquiring supplies or services subject to the procedures of the Small Business Competitive Demonstration Program. That's not Treasury, but for your information, the participating agencies are:

- ★ Department of Agriculture;
- ★ Department of Defense, except the National Imagery and Mapping Agency;
- ★ Department of Energy;
- ★ Department of Health and Human Services;
- ★ Department of the Interior;
- ★ Department of Transportation;
- ★ Department of Veterans' Affairs;
- ★ Environmental Protection Agency;
- ★ General Services Administration; and
- ★ National Aeronautics and Space Administration

This program is effective on March 27, 2000.

Editor's Tiny Corner, by Tyuana Butler, Editor ©

Website highlight: this month we're cyber surfing out to the United States Congress on the Internet. If you go to:

<http://thomas.loc.gov/home/thomas2.html>

and you will find all the legislative information you could possibly need. It provides information on the current Congress, as well as information and laws on past Congressional sessions. This is especially useful if you're interested in interpreting the "spirit" of the law, and not just the language.



Also, a HEARTY congratulation to Charles Conrad, who passed NCMA's CPCM exam on the first try. Way to go!!

Progress Payments and Related Financing Policies

(FAR Case 1998-400)

This final rule revises Part 32, Contract Financing, and related contract provisions in Part 52, and

- ❖ Emphasizes that performance-based payments are the preferred method of contract financing. Performance-based payments are contract-financing payments made after achievement of predetermined goals, such as performance objectives or defined events. Contracting officers should consider performance-based payments and deem their use impracticable before deciding to provide customary progress payments;
- ❖ Permits contracting officers to provide contract financing on contracts awarded to large businesses if the individual contract is \$2 million or more. Previously, the threshold in the FAR for financing a contract with a large business was \$1 million;
- ❖ Permits a large business to bill the Government for subcontract costs that the large business has incurred but not actually paid, if certain conditions are met. Previously, the FAR permitted only small business concerns to bill for subcontract costs that have been incurred but not paid;
- ❖ Permits the contracting officer to use performance-based payments in contracts for research and development, and in contracts awarded through competitive negotiation procedures;

This final rule is effective on March 27, 2000. However, it is mandatory only for solicitations issued on or after May 26, 2000.

Small Business Corner

By Jackie Barber, SBS

8(a) MOU: Amendment 2B was issued to extend the term of the MOU through April 30, 2000. The Small Business Administration is in the process of issuing a new MOU, which would be acceptable to all federal agencies.

HUBZones: The Small Business Specialist (SBS) has established a database capturing small HUBZone firms, in which the bureau has or will do business with. Buyers should ask small businesses if the company is located in a HUBZone and forward the information to the SBS. Accumulating this information will prepare the office in accomplishing our goal for FY2001. Effective October 1, 2000 the procedures in FAR 19.13, Historically Underutilized Business Zone (HUBZone) Program will apply to Treasury.

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